

FACT SHEET

Gary D. Preszler, Commissioner

COUNTY SERVICE FEE PAYMENTS

The 1999 legislative assembly decided it would be appropriate for the Land Department to pay a service fee for maintenance of county and township roads in counties that contain school trust land. According to NDCC 15-04-23, the fee “may not exceed five percent of the net revenue generated from the original grant lands in that county during the year preceding the payment.” This means that 5% of the rental received on grasslands in each county, less expenses, is paid to the county commission.

In February 2003, the Land Board made a payment - totaling \$160,822 - to the counties for maintenance of township roads.

The statute also states: “The board of county commissioners shall forward a prorated portion of any fee received under this section to the organized townships in which the original grant lands are located for use in the repair, maintenance, and construction of roads and bridges and shall use the remainder of the fee for the repair, maintenance, and construction of roads and bridges in unorganized townships in which original grant lands are located.” For more information contact Mike Brand at mbrand@state.nd.us or call (701) 328-2800.

COUNTY PAYMENTS IN LIEU OF TAXES

Some lands are not subject to the 5% service fee. Lands which were foreclosed and thus taken off the tax rolls are treated differently under the law. Because those lands were, at one time, on the tax rolls, the State Land Department makes a payment in lieu of taxes. The amount of this payment is calculated in the same manner as property taxes and paid to the affected counties.

In February 2003, the Board of University and School Lands made a payment totaling \$83,691 for the payment in lieu of taxes.

In total, the Board of University and School Lands paid nearly a quarter of a million dollars to the counties in 2003. For more information, contact Mike Humann at mhumann@state.nd.us or call (701) 328-2800.